ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION AIR QUALITY CONSTRUCTION PERMIT

Permit No. 235CP01 Date: August 15, 2003

WILLIAMS PORT OF ANCHORAGE TERMINAL TANK TRUCK LOADING RACK MODIFICATION PROJECT

The Alaska Department of Environmental Conservation (ADEC), under the authority of AS 46.03, AS 46.14, AS 46.40, 6 AAC 50, 18 AAC 15, and 18 AAC 50.315, issues an Air Quality Control Construction Permit to:

Owner/Operator: Williams Alaska Petroleum, Inc.

3201 C Street, Suite 700

Anchorage, Alaska 99503-3960

Permittee: WILLIAMS ALASKA PETROLEUM, INC.

Facility: Port of Anchorage Terminal

ADEC authorizes the Permittee to:

- add a 120,000 barrel bulk fuel storage tank;
- add two gasoline bottom-loading arms to the east lane of the tank truck loading rack; and
- increase burner capacity of the John Zink Vapor Combustion Unit

at the Port of Anchorage Terminal, in accordance with the terms and conditions of this permit and as described in the permit application and submittals listed in Exhibit A.

John F. Kuterbach, Manager Air Permits Program

PERMIT TERMS AND CONDITIONS

- I. Visible Emission Standard. The Permittee shall not cause or allow visible emissions, excluding condensed water vapor, emitted from the Vapor Combustion Unit (VCU), the Asphalt Plant Hot Oil Heaters (HOH-1 and 2) and the Boiler (BLR) (Source IDs 2, 4, 5, and 6, respectively, listed in Table 1 of Operating Permit No. 235TVP01, Revision 2) to reduce visibility through the exhaust effluent by greater than 20 percent averaged over any six minutes. Within three months after the increase in capacity of the Tank Truck Loading Rack (Source ID 1) authorized in condition II, the Permittee shall either
 - A. obtain a manufacturer guarantee that Source ID 2 will comply with the visible emission standard and attach a copy of the guarantee to the operating report required by condition 57 of Operating Permit No. 235TVP01, Revision 2 (Operating Permit), or
 - B. conduct a visible emission source test on Source ID 2 in accordance with Section 9 of the Operating Permit and attach a copy of the surveillance records to the operating report required by condition 57 of the Operating Permit.
- II. Tank Truck Loading Rack Modification. The Permittee may increase the capacity of the Source ID 1 from 3000 gallons per minute (gpm) to 3500 gpm. The Permittee shall collect all vapors from the rack and route them to Source ID 2, and shall
 - A. within six months after the increase in capacity of Source ID 1, either:
 - 1. obtain a manufacturer guarantee that Source ID 2 will emit no more than ten milligrams of volatile organic compounds (VOC's) per liter of volatile liquid loaded (six-hour average) and attach a copy of the guarantee to the operating report required by condition 57 of the Operating Permit, or
 - 2. quantify the VOC emissions from Source ID 2 in accordance with condition 17 of the Operating Permit and attach a copy of the source test report to the operating report required by condition 57 of the Operating Permit; and
 - B. comply with conditions 17 through 24 of Operating Permit 235TVP01, Revision 2.
- **III. VCU Modification.** The Permitte may increase the capacity of Source ID 2 from 320 standard cubic feet per minute (scfm) to 640 scfm.
- **IV.** New Bulk Fuel Storage Tank. The Permitte may install a new 120,000 barrel bulk fuel storage tank (Source ID 45). If installed, the Permittee shall
 - A. comply with condition V.A of this permit; and
 - B. comply with conditions 7 through 11 of Operating Permit 235TVP01, Revision 2.

V. NSPS Subpart Kb Requirements.

- A. For Source ID 45 the Permittee shall
 - 1. not allow the Volatile Organic Liquid (VOL) maximum true vapor pressure to exceed 76.6 kPa; and
 - 2. equip the tank with a fixed roof in combination with an internal floating roof as described in 40 C.F.R. 60.112b(a)(1).
- B. For vessels equipped with a liquid-mounted or mechanical shoe primary seal, visually inspect the IFR and the primary seal or the secondary seal (if one is in service) through manholes and roof hatches on the fixed roof at least once every 12 months after initial fill. If the IFR is not resting on the surface of the VOL inside the storage vessel, or there is liquid accumulated on the roof, or the seal is detached, or there are holes or tears in the seal fabric, the Permittee shall repair the items or empty and remove the storage vessel from service within 45 days. If a failure that is detected during inspections required in this paragraph cannot be repaired within 45 days and the vessel cannot be emptied within 45 days, a 30-day extension may be requested from the Administrator in the inspection report required in 40 C.F.R. 60.115b(a)(3) (condition V.E). Such a request for an extension must document that alternate storage capacity is unavailable and specify a schedule of actions that company will take that will assure that the control equipment will be repaired or the vessel will be emptied as soon as possible.
- C. for vessels equipped with a double-seal system as specified in 40 C.F.R. 60.112b(a)(1)(ii)(B), visually inspect the vessel as indicated in 40 C.F.R. 60.113b(a)(4) at least every five years or annually as indicated in 40 C.F.R. 60.113b(a)(2).
- D. Furnish the Administrator with a report that describes the control equipment and certifies that the control equipment meets the specifications of 40 C.F.R. 60.112b(a)(1) and 40 C.F.R. 60.113b(a)(1). This report shall be an attachment to the notification required by 40 C.F.R. 60.7(a)(3) (condition VI.A).
- E. If any of the conditions (defects) described in 40 C.F.R. 60.113b(a)(2) are detected during the annual visual inspection required by 40 C.F.R. 60.113b(a)(2), a report shall be furnished to the Administrator within 30 days of the inspection. Each report shall identify the storage vessel, the nature of the defects, and the date the storage vessel was emptied or the nature of and the date the repair was made.
- F. After each inspection required by 40 C.F.R. 60.113b(a)(3) that finds holes or tears in the seal or seal fabric, or defects in the IFR, report in accordance with 40 C.F.R. 60.115b(a)(4).

VI. NSPS Subpart A Requirements.

A. The Permittee shall furnish the Administrator with written notification of the actual date of initial startup of an affected facility postmarked within 15 days after such date.

EXHIBIT A PERMIT DOCUMENTATION

Title V Operating Permit 235TVP01, Revision 2, issued December 20, 2002 and revised on July 24, 2002, and September 17, 2002.

December 20, 2002 Permit Application prepared by HMH Consulting, LLC, Anchorage AK.

February 5, 2003 Response to ADEC Incomplete Application (Project X173), submitted by William A. Boycott (Williams)

March 17, 2003 Additional Information for Construction Permit application X173 Williams Alaska Petroleum Anchorage Terminal.

March 26, 2003 Certification Statement (Project X173), submitted by William A. Boycott

(Williams)